



29 August 2014

Company Announcements
ASX Limited
Electronic Lodgement

ANNOUNCEMENT TO AUSTRALIAN SECURITIES EXCHANGE

Appendix 4D Half year reporting period ending 30 June 2014

The following information is provided to ASX under listing rule 4.2A.3.

1. Reporting period

- a. Current Period: 6 months ended 30 June 2014
- b. Prior Period: 6 months ended 30 June 2013

2. Results for announcement to the market

	Item		Change	%		30 June 2014
			\$	Change		
Revenue	2.1	Up	1,894	5.94		33,767
Profit/(Loss) after tax attributable to members	2.2	down	69,052	192.9%		(104,852)
Net Profit/(Loss) attributable to members	2.3	down	69,052	192.9%		(104,852)
Dividend	2.4	The Board is not proposing any dividend for the 2014 or 2013 financial year.				
The record date for determining entitlements to the dividend	2.5	N/A				
Explanatory information	2.6	Please refer to the 2014 Half year report for an explanation				

Registered Office

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		of the figures in 2.1 to 2.4
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3. Net tangible assets per security

	30 June 2014	30 June 2013
Number of securities	7,428,340	285,701,996
Net tangible assets per security	\$0.064	\$0.002

4. There were no entities over which control has been gained or lost during the period.
5. Details of individual and total dividends or distributions and dividends or distribution payments – not applicable
6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan – not applicable
7. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities:
 - Island Sky Corporation – 25% shareholding
8. The company is not a foreign entity
9. The 2014 Half-Year report is based upon accounts that were reviewed by the Company's auditor.

Yours faithfully



Nicholas Lee
Company Secretary



ABN 73 122 948 805

INTERIM FINANCIAL REPORT 2014

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Pawnee Energy Limited

ABN 73 122 948 805

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 30TH JUNE 2014

Your Directors present their report for Pawnee Energy Limited at the end of the half-year ended 30th June 2014.

Directors

The names of Directors who held office within Pawnee Energy Limited during or since the end of the half-year:

David John Lindh

Richard Jay Groden

Neville Wayne Martin

Review of Operations

During the last 6 months the Director's have been considering various options in an effort to produce value for shareholders in the medium term. The Company has pursued a few business opportunities but none are sufficiently advanced enough to discuss at the current time.

In January 2014, the company completed a 50 to 1 share consolidation, as approved at the EGM held on 21 November 2013. The impact of the consolidation was to reduce the number of shares on issue by 363,984,156 and the share options by 5,194,000.

At this time the operations of the Company have been funded by cash advances made by Mr Neville W Martin and Mr David J Lindh as well as the ongoing support of director related entities.

Auditor's Independence Declaration

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 2 of the half-year report ended 30 June 2014.

This report is signed in accordance with the resolution of the Board of Directors.



David J Lindh

Chairman

Dates this 29th day of August 2014

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67 Greenhill Rd
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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF PAWNEE ENERGY LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Pawnee Energy Limited for the half-year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 29 August 2014

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a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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Pawnee Energy Limited

ABN 73 122 948 805

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2014

	NOTE	30 June 2014 \$	30 June 2013 \$
Other income	2	33,767	31,873
Expenses			
Administration	2	(107,312)	(41,673)
Professional Fees		(31,307)	(26,000)
Loss before income tax	2	(104,852)	(35,800)
Income tax expense		-	-
Loss for the period		(104,852)	(35,800)
Other comprehensive income		-	-
Total comprehensive income		(104,852)	(35,800)
Loss is attributable to:			
Owners of Pawnee Energy Limited		(104,852)	(35,800)
Total comprehensive income attributable to:			
Owners of Pawnee Energy Limited		(104,852)	(35,800)
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings per share (cents per share)		(1.41)	(0.0125)
Diluted earnings per share (cents per share)		(1.41)	(0.0125)
Earnings per share for loss attributable to the ordinary equity holders of the company:			
Basic earnings per share (cents per share)		(1.41)	(0.0125)
Diluted earnings per share (cents per share)		(1.41)	(0.0125)

The accompanying notes form part of these financial statements

Pawnee Energy Limited
ABN 73 122 948 805

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	NOTE	30 June 2014 \$	31 December 2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		932	35,013
Trade and other receivables	3	1,058,087	1,021,221
TOTAL CURRENT ASSETS		1,059,019	1,056,234
NON-CURRENT ASSETS			
Investment in associate	4	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		1,059,019	1,056,234
CURRENT LIABILITIES			
Trade and other payables	5	582,605	474,968
TOTAL CURRENT LIABILITIES		582,605	474,968
NET ASSETS/(LIABILITIES)		476,414	581,266
EQUITY			
Issued Capital	10	12,739,687	12,739,687
Reserves		82,626	82,626
Retained losses		(12,345,899)	(12,241,047)
TOTAL EQUITY		476,414	581,266

The accompanying notes form part of these financial statements.

Pawnee Energy Limited
ABN 73 122 948 805

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2014

	Issued Capital Ordinary	Reserves	Retained Losses	Total
	\$	\$	\$	\$
Balance at 1 January 2013	12,315,716	82,626	(11,721,859)	676,483
Total profit or loss	-	-	(35,800)	(35,800)
Balance at 30 June 2013	12,315,716	82,626	(11,757,659)	640,683
Balance at 1 January 2014	12,739,687	82,626	(12,241,047)	581,266
Total profit or loss	-	-	(104,852)	(104,852)
Balance at 30 June 2014	12,739,687	82,626	(12,345,899)	476,414

The accompanying notes form part of these financial statements.

Pawnee Energy Limited

ABN 73 122 948 805

STATEMENT OF CASHFLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2014

	30 June 2014 \$	30 June 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(127,947)	(12,262)
Finance Costs	(306)	-
Interest received	172	255
Net cash used in operating activities	<u>(128,081)</u>	<u>(12,007)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Received from directors loans	<u>94,000</u>	<u>-</u>
Net cash generated from funding activities	<u>94,000</u>	<u>-</u>
 Net decrease in cash held	(34,081)	(12,007)
Cash at beginning of period	<u>35,013</u>	<u>43,888</u>
Cash at the end of the period	<u>932</u>	<u>31,881</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 30 June 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Pawnee Energy Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that this financial report be read in conjunction with the annual financial statements for the year ended 31 December 2013, together with any public announcements made during the half-year.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 December 2013.

Pawnee Energy Limited
ABN 73 122 948 805

NOTE 2: LOSS FOR THE PERIOD

	30 June 2014 \$	30 June 2013 \$
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Other Income		
Interest from Bank deposits	172	255
Unwind of interest on long term receivable	33,595	31,618
Interest Income	33,767	31,873
Administration Expenses		
Directors' remuneration	70,000	-

NOTE 3: TRADE AND OTHER RECEIVABLES

	30 June 2014 \$	31 December 2013 \$
Receivable from related party (a)	1,051,636	1,018,040
GST receivables	6,318	2,565
Workcover	133	616
Total Receivables	1,058,087	1,021,221

- (a) On 15 June 2012 the Company signed a Stock Purchase Agreement (SPA) with Mr Richard Groden to sell 933,077 shares in Island Sky Corporation for \$1,154,929. \$100,000 was due once shareholders approved the SPA, with the balance \$1,054,929 payable within 2 years after the SPA was approved. As the receivable is interest free, a discount of 6.6% has been applied against the balance to reflect the time value of money. This discount will unwind over the term of the receivable.

A breakdown of the receivables as at 30 June 2014 from the related party is as follows:

	\$
Consideration for 933,077 shares:	1,154,929
Less: Deposit paid	(100,000)
Less: Discount	(3,293)
	1,051,636

The Company entered into a Stock Pledge and Security Agreement with Mr Richard Groden to secure the remaining payment of \$1,054,929 to the Company by granting a first priority senior lien and security interest in the 933,077 shares in Island Sky Corporation.

Pawnee Energy Limited

ABN 73 122 948 805

NOTE 3: TRADE AND OTHER RECEIVABLES - CONT

Provision for Impairment for Receivables

Trade and other receivables are non-interest bearing loans and generally on 30 day terms. Trade receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or other receivable is impaired.

There are no significant balances within trade and other receivables that contain assets that are impaired or past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

NOTE 4: INVESTMENT IN ASSOCIATE

The Company holds a 25% voting power and equity interest in Island Sky Corporation which manufactures and distributes water-making machines. The investment is accounted for under the equity method. The associate has a reporting date of 31 December, and its principal place of business is the United States of America.

The shares are not publicly listed on a stock exchange and hence published price quotes are not available

	30 June 2014 \$	31 December 2013 \$
Investment in associate		
Unlisted investments		
Shares – Island Sky Corporation	116,800	116,800
Provision for Impairment	(116,800)	(116,800)
	<u>-</u>	<u>-</u>

NOTE 5: TRADE AND OTHER PAYABLES

	30 June 2014 \$	31 December 2013 \$
Accounts payable	317,010	195,627
Accrued expenses	171,595	279,341
Directors loans	94,000	-
	<u>582,605</u>	<u>474,968</u>

Included in the trade and other payables is \$300,908 relating to directors or director related entities.

NOTE 6: OPERATING SEGMENTS

Following the disposal of the controlled entity in 2012 there are no separately identifiable operating segments.

Pawnee Energy Limited

ABN 73 122 948 805

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has occurred subsequent to the end of the period that significantly affects the operations of the Company, the results of these operations, or the state of affairs of the Company in future years.

NOTE 8: GOING CONCERN BASIS OF ACCOUNTING

The financial report has been prepared on the basis of going concern.

The Company incurred a loss of \$104,852 during the half-year ended 30 June 2014.

The Company remains reliant upon the continued financial support of the directors, the timely collection of the amount receivable from the sale of its subsidiary and/or additional further capital raisings to continue as a going concern. We understand that once a suitable business is found to be acquired the company will seek to raise the additional capital required. If the continued financial support of the directors is not forthcoming, the collection of the proceeds from the sales of Island Sky Corporation is not recovered and/or additional funds are not raised, the going concern basis may not be appropriate, with the result that the Company may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and in amounts different from those stated in the Interim Financial Report. No allowance for such circumstances has been made in the Interim Financial Report.

NOTE 9: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last reporting date.

NOTE 10: ISSUED CAPITAL

	30 June 2014 \$	31 December 2013 \$
7,428,340 (31 December 2013: 371,412,496) fully paid ordinary shares	12,739,687	12,739,687
	No.	No.
a. Ordinary shares		
At the beginning of reporting period	371,412,496	285,701,996
Shares issued during the period	-	85,710,500
Share consolidation during the period	(363,984,156)	-
At the end of the reporting period	7,428,340	371,412,496

In January 2014, as previously approved by shareholders, the Company completed a 50:1 share consolidation, resulting in a reduction in the issued ordinary shares.

Pawnee Energy Limited
ABN 73 122 948 805

NOTE 10: ISSUED CAPITAL – CONT

b.Unlisted Options

	2014 Unlisted Options	
	30 June 2014	31 December 2013
	No.	No.
At the beginning of the reporting period	5,000,000	5,000,000
Effect of the share consolidation during the period	(4,900,000)	-
At the end of the reporting period	100,000	5,000,000

- (i) *The unlisted options have a revised exercise price of \$0.25 after the share consolidation. There has no change on the expiry date of the options which is 4 August 2014.*

	2014 A Class Options	
	30 June 2014	31 December 2013
	No.	No.
At the beginning of the reporting period	300,000	300,000
Effect of the share consolidation during the period	(294,000)	-
Expired during the period	(6,000)	-
At the end of the reporting period	-	300,000

- (ii) *The unlisted options after the share consolidation have a revised exercise price of \$20.00 and was expired on 30 April 2014*

NOTE 11: COMPANY DETAILS

The registered office of the company is:

Pawnee Energy Limited
 Level 3
 100 Pirie Street
 Adelaide SA 5000
 Telephone (08) 8232 8800
 Facsimile (08) 8232 2540

Australia Office – Pawnee Energy Limited
 Level 3
 100 Pirie Street
 Adelaide SA 5000
 Australia

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes set out on pages 3 to 11 are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
 - b. comply with Accounting Standard AASB 134 Interim Financial Reporting, and the Corporations Regulations 2001.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



David Lindh

Chairman

Dated this 29th day of August 2014

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67 Greenhill Rd
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAWNEE ENERGY LIMITED

We have reviewed the accompanying half-year financial report of Pawnee Energy Limited ("Company"), which comprises the statement of financial position as at 30 June 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of Pawnee Energy Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Pawnee Energy Limited financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Pawnee Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pawnee Energy Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding continuation as going concern

Without modification to the conclusion expressed above, we draw attention to Note 8 – Going Concern Basis of Accounting to the half-year financial statements which indicates that the Company incurred a net loss of \$104,852 for the half-year ended 30 June 2014 and the cash used in operating activities of \$128,081. Should the continued financial support of the directors is not forthcoming, the collection of the proceeds from the sales of Island Sky Corporation is not recovered and/or additional funds are not raised, these conditions, along with other matters as set forth in Note 8 indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the half-year financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 29 August 2014